

Momentum Global Balanced Fund (Class A)

Month ended 30 June 2021

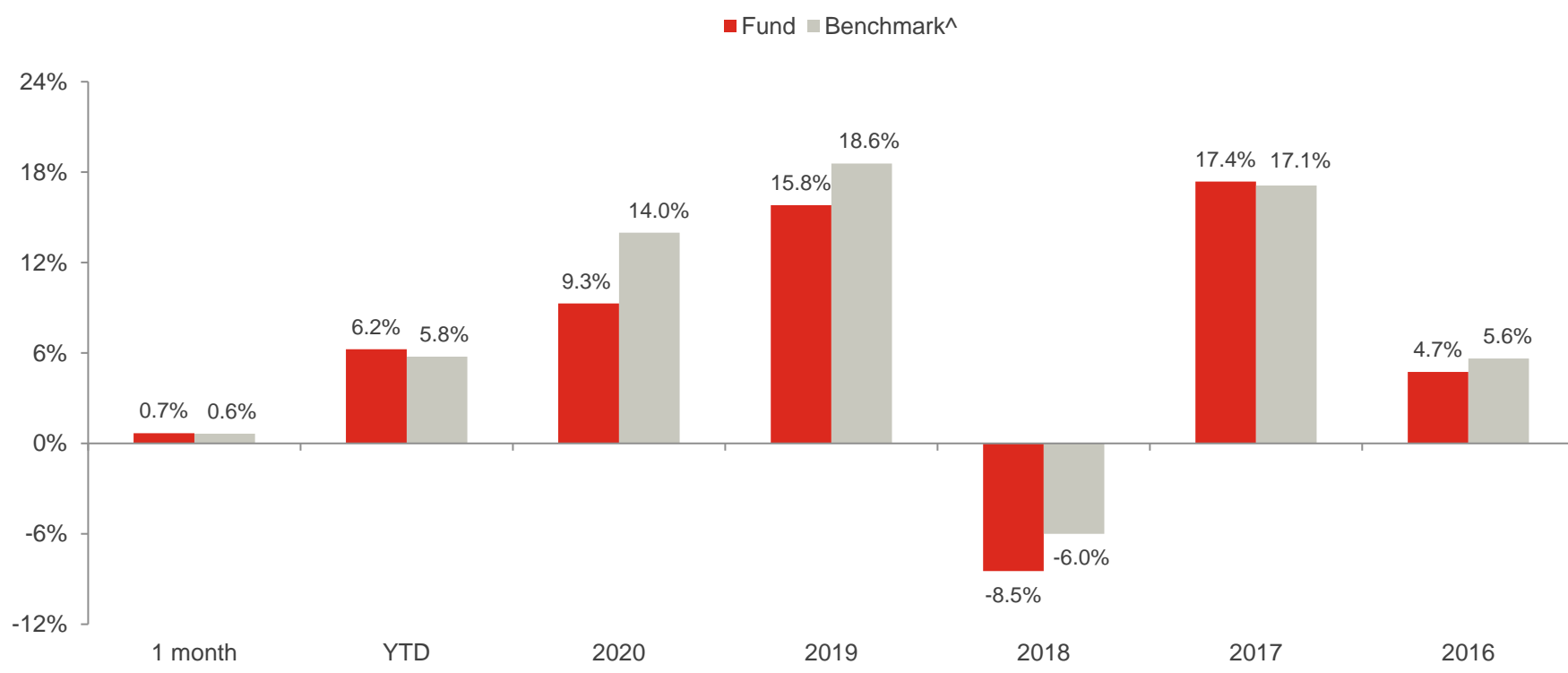
Fund details*

Investment manager: Momentum Global Investment Management	Investment timeframe: 3 years+	Currency: USD
Minimum subscription: USD 7,500	Subscriptions / redemptions: daily	Initial fee: none
Inception date (investment strategy): 30 September 2004	Inception date (fund): 18 April 2007	Price per share: USD 1.7291
Benchmark: 60% MSCI AC World, 40% ICE BofA Global Broad Market		

Investment objective

The primary objective of the Fund is to provide a balance between capital preservation and capital growth over the full investment cycle in local currency terms with a reduced level of volatility. The diversified portfolio invests into a wide range of asset classes including cash, fixed income, high yield, equities, property and alternative investment strategies. As this portfolio is global in nature, exposure will be taken in a wide range of currencies and markets. The Fund is ideally suited to investors with a medium risk tolerance with an investment horizon of three years or longer.

Fund performance



Past performance is not indicative of future returns. The fund performance is calculated on a total return basis, net of all fees and in US dollar terms.

^ With effect from 01.07.18 the 40% allocation in the FTSE WorldBIG index was replaced with the ICE BofA Global Broad Market index. This has not been applied retrospectively.

Top holdings

Holdings	Asset type	Weight
² Robeco Multi-Factor Global Equity	Equity	19.3%
¹ US TIPS	Fixed Income	5.7%
¹ Maple-Brown Abbott Global Infrastructure	Equity	5.3%
¹ Momentum IF Global Emerging Markets	Equity	5.2%
¹ Aviva Global Convertibles	Fixed Income	4.7%
² Morgan Stanley Global Sustain	Equity	4.6%
² Jennison Global Equity Opportunities	Equity	4.3%
¹ Neuberger Berman Uncorrelated Strategies	Alternatives	3.5%
¹ Muzinich EnhancedYield Short-Term (USD hedged)	Fixed Income	3.5%
¹ Sequoia Economic Infrastructure Income	Fixed Income	3.2%

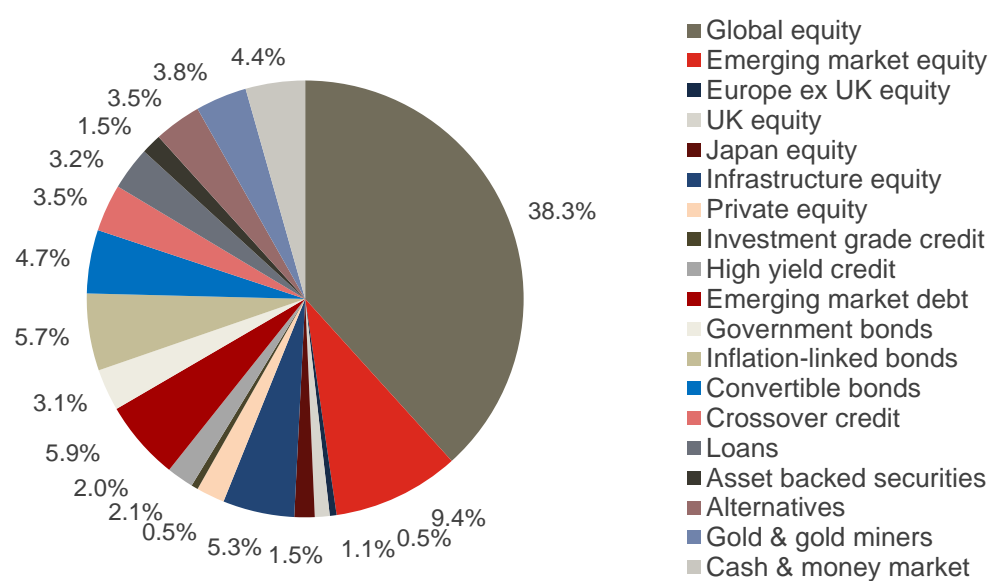
¹ Direct holding

² Indirectly held in the Momentum GF Global Equity Fund

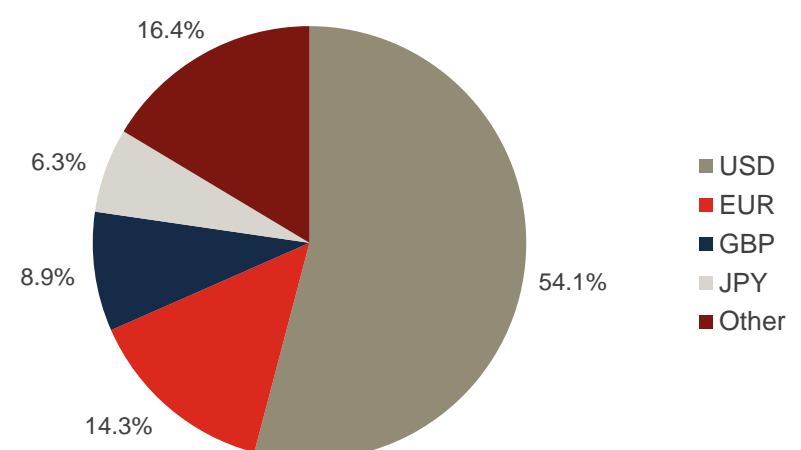
Investment statistics (since investment strategy inception)

Current month return:	0.7%
Cumulative return:	154.8%
Annualised return:	5.7%
Annualised volatility:	10.7%

Strategy allocation



Currency allocation



Sources: Morningstar, Lipper Hindsight, Momentum Global Investment Management. Northern Trust International Fund Administration Services (Guernsey) Limited.

* Please refer to the fund supplement and scheme particulars for a detailed description of fees and fund facts.

■ Market commentary

The more hawkish tilt by the Fed in June signalled the beginning of a future monetary policy tightening cycle and triggered an alarm in markets. The subsequent comments from Fed governors, reaffirming their view that the inflation rise will be temporary, and the reality that the tightening will be very slow and gradual, with interest rates no more than 0.5% or thereabouts for at least the next 18 months, helped to push down yields on longer dated bonds and supported equity markets. This will be a very long cycle, the Fed will not tighten policy pre-emptively, it and other central banks continue to err on the side of caution with respect to the state of the economic recovery, and policy is likely to remain supportive for a considerable time ahead.

Covid concerns resurfaced in June as the delta variant spread rapidly across the world to become the dominant form of the virus. Evidence suggests that the vaccines provide good immunity and dramatically weaken the link between infection and hospitalisation. This is not preventing a surge in cases, and makes those countries where the vaccine rollout is much slower vulnerable to a setback to full reopening of their economies.

Developed markets, measured by the MSCI World index, returned 1.4% over the month, with the UK and US returning 0.7% and 2.3% respectively. Emerging markets rose 1.3% in local terms.

Bond markets returned -0.4% in June, as measured by the Bank of America Merrill Lynch Global Broad Market index, with US Treasuries and US high yield corporate bonds returning 0.7% and 1.3% respectively, compared with 1.6% from US corporate investment grade bonds.

We remain broadly constructive about risk assets. This will be a long cycle, with growth at exceptionally high rates in 2021 and 2022, underpinned by continuing loose monetary and fiscal policies – below the crisis levels of support but remaining at historically very high levels. We remain alert, however, to the risks ahead. The risks around inflation and policy moves are likely to remain at the forefront of investor concerns. We will stay invested to participate in the recovery but believe that it is vital to keep broadly diversified, blending defensive assets with a range of equity styles and specialist income producing areas. This is likely to be a long market cycle and we believe that patience and true diversification will be well rewarded in the year ahead.

Source: Bloomberg Finance LP, Momentum Global Investment Management.

■ Risk warnings and important notes

Investment in the Fund may not be suitable for all investors and financial advice should be sought before proceeding with an investment. Past performance is not indicative of future returns and there can be no assurance that the performance of the Fund will achieve its stated objective. All performance is calculated on a total returns basis, net of all fees and commissions and in US dollar terms.

Collective investments are generally medium to long term investments and are traded at ruling prices. The value of the Fund and any income arising from it are not guaranteed and may fall, as well as rise, due to the value of its holdings, the income derived from them, and changes in interest rates. The Fund will hold shares or units in underlying funds which invest internationally, which will be exposed to exchange rate fluctuations, and may erode any potential gains.

Higher risk investments, such as small companies (even in developed markets), emerging markets, single country debt, equity funds, high yield and sub-investment grade debt may be more prone to sudden and larger falls in value in comparison to other investments. Unregulated funds may permit a greater degree of leverage than is permitted with regulated funds that are available to the general public in South Africa, which increases volatility and the risk of larger losses should the fund's value decrease.

The Fund may contain shares or units in underlying funds that do not permit dealing every day. It is not possible to immediately assess the proper market price of these investments, as they will only be realisable on their dealing days.

A fund of fund collective investment scheme only invests in other collective investments, which levy their own charges. The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and are subject to change thereby impacting the Fund's performance. Commissions and incentives may be paid and, if so, would be included in the overall costs. Deductions of charges and expenses mean that you may not get back the amount you invested.

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This document should be read in conjunction with the Prospectus of Momentum Mutual Fund ICC Limited and the Fund Supplement, in which all the current fees and expenses charged to the Fund are disclosed. For a detailed description of such fees and expenses, please refer to these Scheme Particulars which are available upon request from Momentum Wealth International Limited, La Plaiderie House, La Plaiderie, St Peter Port, Guernsey, GY1 1WF.

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